

STATE OF SOUTH CAROLINA

(Caption of Case)

Revisions to Articles 3 and 4 of the
Commission's RegulationsBEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET
NUMBER: 2007 - 19 - EG

(Please type or print)

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DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition☐ Request for item to be placed on Commission's Agenda expeditiously☐ Other:

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input checked="" type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input checked="" type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other: _____	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		

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July 20, 2007

VIA HAND DELIVERY AND
ELECTRONIC FILING

Jocelyn Boyd, Esquire
Deputy Clerk
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, S.C. 29210

Re: Response to Commission staff inquiry of July 19, 2007;
Docket No. 2007-19-EG

Dear Ms. Boyd:

Please allow this letter to serve as the response of South Carolina Electric & Gas Company (SCE&G) to your email inquiry of July 19, 2007. The inquiry raises two specific questions, the first regarding notification of customers for planned maintenance outages under section 314 and the second questioning the rationale for the threshold reporting requirement proposed in section 315. SCE&G has attempted to satisfactorily respond to each inquiry below.

(1) **Unscheduled and Scheduled Interruptions**

In addressing the first query, SCE&G believes it is important to review the language of sections 314 and 381 together, as set forth below. (The redlining represents the proposed revision advocated in the joint proposal.)

103-314. Interruption of Service.

Each electrical utility shall keep a record of any condition resulting in any interruption of service affecting its entire system or major division thereof, or any major community, or an important division of such a community, including a statement of the time, duration, and cause of any such interruption. If such unscheduled interruption is for more than six hours, The Commission ORS is to be notified of any such interruptions as soon as practicable after it comes to the attention

of the utility and a complete report made to the Commission after restoration of service if such interruption is for more than six hours duration.

....

103-381. Interruption of Service.

- A. Each electrical utility shall make all reasonable efforts to avoid interruptions of service, but when interruptions occur, service shall be re-established within the shortest time practicable, consistent with safety of its employees, customers, and of the general public.
- B. Planned interruptions shall be made at a time that will not cause unreasonable inconvenience to customers and shall be preceded by a reasonable attempt to give adequate notice to those who will be affected.

Reading the two regulatory provisions together, section 314 addresses unscheduled, unplanned interruptions, while section 381 addresses scheduled, planned interruptions. In section 314, should a power outage or interruption occur to its entire system or major division thereof, or any major community, or an important division of such a community that lasts longer than six hours, the service interruption must be reported. This allows for the timely restoration of power to customers after a storm or other event that may have temporarily interrupted service. Should the interruption last longer than six hours, then the utility must report to ORS. The proposed revision found in the joint proposal does not substantively alter the regulation, but merely clarifies the language.

Section 381(B) specifically addresses planned interruptions. As a practical matter, electric utilities generally try to avoid planned interruptions of service to customers. There are, however, planned interruptions to the generation of power at certain plants. Should a utility schedule maintenance on a facility, it will simultaneously make a provision for the increase in the supply of power from another generating facility. Thus, in the instance of scheduled maintenance for a plant which would interrupt power generation at that facility, which may be for a period longer than six hours, there would be no impact on the customer. However, in the unlikely event a planned interruption will affect a customer, section 381 provides that a reasonable attempt to provide adequate notice be made to advise the affected customer of the planned interruption. Notably, the notice provision for a planned interruption of service to customer does not have a six hour threshold, but would include planned interruptions for less than six hours.

Thus, SCE&G believes that sections 314 (as modified in the joint proposal) and 381 adequately provide for electric utility response, reporting, and notification for both unscheduled and scheduled interruptions of power and service. SCE&G apologizes if its prior comments created any confusion or ambiguity, and hopes this response has answered any question the Commission or Commission staff may have regarding this point.

(2) Threshold Reporting Amount in Section 315

In response to the second inquiry, SCE&G hesitates to compare the accident provisions found in sections 315 and 415. The concerns related to accidents (or incidents, as found in the joint proposal) for electric utilities and gas utilities are distinct and separate. These are two wholly independent forms of energy with two wholly separate transmission, distribution, and delivery systems. Just as the safety regulations between electric and gas utilities are different, the accident reporting requirements are different (and rightfully so). Also, it is important to note that the joint proposal advocated by the electric utilities included two electric utilities that do not provide gas service in South Carolina.

Currently, section 315 states as follows:

103-315. Accidents.

Each electrical utility shall, as soon as possible, report to the Commission each accident happening in connection with the operation of its property, facilities, or service, wherein any person shall have been killed or seriously injured or whereby any serious property damage shall have been caused. Such first report shall later be supplemented within 30 days by as full a statement as is possible of the cause and details of the accident and the precautions, if any, which have been taken to prevent similar accidents.

Through the joint proposal, the electric utilities advocate the adoption of the following for section 315:

103-315. Incidents.

- A. Each electrical utility shall, as soon as practicable, report to ORS each material incident in connection with the operation of the electrical utility's property, facilities, or service including, but not limited to: (a) serious injury or death of any person; (b) evacuation; and (c) damage to a third party's property that will require, in the electrical utility's commercially reasonable estimation, repair costs in excess of \$20,000. Such first report shall later be supplemented within thirty (30) days by a statement of the cause and details of the incident, based on the facts then known to the electrical utility, and the measures, if any, that have been taken to reduce the risk of similar incidents in the future.
- B. Each electrical utility shall establish and follow procedures for analyzing, reporting, and minimizing the possibilities of any future incidents.

The proposed revision is actually more stringent than the current regulation and removes some of the ambiguity continued in the current regulation. For example, the proposed revision would require reporting for evacuations, which is not specifically covered under the current regulation.

To specifically address the inquiry as to the dollar threshold amount for property damage, please note that the current regulation only requires reporting for "serious property damage." The proposed regulation would require reporting for third party property damage in excess of \$20,000. Notably, many states do not have any reporting requirements for property damage, but reporting is limited to accidents of a personal injury nature. Maine has a reporting requirement for "serious accidents", the "serious" modifier reminiscent of South Carolina's current regulation. Interestingly, in that state "serious accident" is defined to include property damage in excess of \$50,000. Code Me. R. 65-407 Chap. 130 § 2(1). As another example, California imposes a \$20,000 property damage threshold dollar limitation for electric utility reporting. See Re: Distribution Facility Standard Setting, Decision 98-07-097, 188 P.U.R. 4th 282 (July 23, 1998).

Therefore, the proposed revision and proposed dollar threshold of \$20,000 for property damage advocated in the joint proposal places a more stringent reporting requirement on the electric utilities in South Carolina than that found in most states, and is on par with the reporting requirement imposed upon electric utilities in California. SCE&G hopes this response provides the rationale for the proposed property damage dollar threshold and adequately addresses the inquiry on this point.

If you have any additional questions, please do not hesitate to contact me.

Very truly yours,

WILLOUGHBY & HOEFER, P.A.



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